

Director of Management and Budget

1. The Governor supports bringing "entrepreneurialism to state government". Does she support outsourcing or privatizing those services currently done by government that could be done less expensively by the private sector? As DMB director, what services are prime for outsourcing in order to save the state money?
2. What is the Governor's definition of pay equity? Insofar as her efforts at creating pay equity affects state government, how much will this cost the state and how will it be enforced?
3. Do you have an estimate of how much money the Governor's "Bureaucracy Busters" would save the state?
4. The Governor's Executive Order 2003-1 gives the director of the Department of Management and Budget the discretion to bar companies from doing business with the state if they've been convicted of a crime. How will this E.O. be implemented? Will it include a "zero tolerance" policy?

The E.O. also says that a willful or persistent violation of the Michigan Occupational Safety and Health Act would disqualify a firm from selling goods and services to the state. Please define what constitutes a "willful or persistent" violation. Will it include a "zero tolerance" policy?

Finally, the E.O. states that failure to substantially perform a state contract or subcontract according to its terms, conditions, and specifications within specified time limits would also disqualify a firm from doing business with the state. Please define what constitutes a "failure to substantially perform" a contract. Will it include a "zero tolerance" policy?

5. Why are there so many unused parking spaces at state owned parking lots? How much did these spaces cost?
6. Is there or will there be a plan in place dealing with the utilization of state buildings, property or leases? Given the reduction in the number of state employees will there be a reduction in the amount of leased space by the state? If so, what will be the budget savings?
7. What is the administration's position on a new headquarters for the State Police and Department of Military Affairs located on what is commonly referred to as the "Triangle property"?
8. Do you believe that firms in certain parts of the state should be given preferential treatment in bidding for state business?
9. Do you believe that minority owned firms should be given preferential treatment in bidding for state business?
10. What programs and policies will you institute to reduce the size of the possible budget deficit? How much money will these policies save the state?

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1. The Governor supports bringing "entrepreneurialism to state government". Does she support outsourcing or privatizing those services currently done by government that could be done less expensively by the private sector? As DMB director, what services are prime for outsourcing in order to save the state money?

Response: Private companies will continue to provide important goods and services to state government. The key is that the state acquire the best value for the citizens of the state.

Since I have only been in the position a few weeks it would be premature to identify specific areas for change. But as we look for opportunities to make state government more efficient, we will consider the appropriate use of private companies.

2. What is the Governor's definition of pay equity? Insofar as her efforts at creating pay equity affects state government, how much will this cost the state and how will it be enforced?

Response: The Governor and I support equal pay for equal work. While I do not have primary responsibility for compensation in state government, I will encourage those with such oversight responsibility to examine state salary schedules to insure that they reflect equal pay.

Since women still earn only about 73% of the wages that men earn it is important that government establish policies to address this problem.

3. Do you have an estimate of how much money the Governor's "Bureaucracy Busters" would save the state?

Response: Bureaucracy Busters' sole responsibility will be to find more efficient and cost effective ways to make it easier for people to access and use government services. We will be using loaned private sector executives to work with state departments to improve and streamline services. We expect some exciting changes to be implemented by the bureaucracy busters, and we fully expect streamlining to save significant dollars, but we do not know how much this effort will save at this point.

4. The Governor's Executive Order 2003-1 gives the director of the Department of Management and Budget the discretion to bar companies from doing business with the state if they've been convicted of a crime. How will this E.O. be implemented? Will it include a "zero tolerance" policy?

Response: Executive Order 2003-1 is meant to clarify this administration's approach to purchasing state goods and services. It builds on the current law and policies to make clear we should not be spending taxpayer dollars with vendors who are violating the law. We are formulating our approach in concert with staff from the Attorney General's office and would be glad to share once it is finalized. Part of the approach will likely require each bidder and vendor regularly to attest that she/he has not violated state or federal laws in performance of the contract. In addition the contract with the state will allow for cancellation if a vendor is convicted of violating any of these laws.

The E.O also says that a willful or persistent violation of the Michigan Occupational Safety and Health Act would disqualify a firm from selling goods and services to the state. Please define what constitutes a "willful or persistent" violation. Will it include a "zero tolerance" policy?

Response: We are working with the staff of the Attorney General's office and the Department of Consumer and Industry Services (CIS) to formulate precise definitions of these terms which will be easy to understand for bidders, vendors and state contract administrators. We would be glad to share these when they are ready.

Violations of MIOSHA are posted on the CIS website. While we have not finalized our approach, review of this web site may be one step in our process of determining eligibility to be awarded a contract or to be debarred.

Finally, the E.O. states that failure to substantially perform a state contract or subcontract according to its terms, conditions, and specifications within specified time limits would also disqualify a firm from doing business with the state. Please define what constitutes a "failure to substantially perform" a contract. Will it include a "zero tolerance" policy?

Response: Each contract specifies the performance requirements for that contract. A finding of "failure to substantially perform" will be based on the judgment of the contract administrator in concert with the Office of Acquisition Services staff. A failure to substantially perform will be treated as a material breach of the contract and be grounds for cancellation.

5. Why are there so many unused parking spaces at state owned parking lots? How much did these spaces cost?

Response: DMB is nearing the end of a three-year effort to improve parking for state employees. The goals of this effort are to expand the number of parking spaces and improve safety.

There are multiple reasons why there may be vacant parking spaces during certain times of the workday. These include spaces in lots reserved for visitors to state government, employees with flexible work schedules, and employees using their cars for business or errands during the day. In addition, we are in the final stages of transitioning employees to parking spaces freed up by the early retirement program late last year. For short times during this transition, there have been vacant parking slots.

Parking rates cover the cost of maintenance, operation and renovation. The current rates are:

- \$4.50/ pay period surface commuter lot
- \$11.25/ pay period surface lots near Capitol Complex
- \$29.50/ pay period random reserved ramp
- \$38.25/ pay period ramp reserved space

6. Is there or will there be a plan in place dealing with the utilization of state buildings, property or leases? Given the reduction in the number of state employees will there be a reduction in the amount of leased space by the state? If so, what will be the budget savings?

Response: The reduction in state employees due to the early retirement program as well as the budget situation gives us the opportunity to review how the state is utilizing state owned and private leased space. This review is in its initial stages but we anticipate finding ways to consolidate and improve state services while saving money. Since we are early in this review, savings estimates are not available.

7. What is the administration's position on new headquarters for the State Police and Department of Military Affairs located on what is commonly referred to as the "Triangle property"?

Response: DMB currently is reviewing this project. We are formulating a recommendation which will take seriously the needs and the concerns of the Departments of Military and Veterans Affairs and the State Police as well as the citizens of Michigan. Obviously, our recommendation will reflect a serious review of cost alternatives as well.

8. Do you believe that firms in certain parts of the state should be given preferential treatment in bidding for state business?

Response: I believe all businesses in Michigan should be able to compete equally to provide the state goods and services.

9. Do you believe that minority owned firms should be given preferential treatment in bidding for state business?

Response: I support giving all businesses, including minority-owned firms, opportunities to compete to provide the state goods and services. Based on a decision of the Sixth Circuit Court of Appeals in the case of Michigan Road Builders Ass'n v Milliken, I am advised the state cannot have specific quotas in this area. The Office of Acquisition Services will continue its efforts to reach out to all businesses to help them gain opportunities to bid to provide goods and services to the state.

10. What program and policies will you institute to reduce the size of the possible budget deficit? How much money will these policies save the state?

Response: We are supporting the Governor and the Office of the State Budget by implementing several measures aimed at reducing expenditures directly and helping departments reduce expenditures. Our reductions will affect both larger and smaller expenditures. These include: reducing expenditures on state contracts, reducing the size of the state vehicle fleet, eliminating color printing and reducing cell phone use. We continue to research ways to reduce state expenses while providing important services to our customers.

I don't yet have estimates of specific dollars to be saved. However, specific dollar impacts will be incorporated into the 2004 department budget proposal in which we are, like other departments, incorporating 15% reductions.